

## China and South Asian relations in a new perspective

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#### -Introduction

The interactions between China and South Asia could date back to 3<sup>rd</sup> century BC, but before the mid of 20<sup>th</sup> century, the lasting 2000 years interactions and communications were confined to cultural and religion, rarely commence, their political connection only started after the British Subcontinent and China recovered independence in late of 1940s—the earlier history of relation between Subcontinent and Qing Dynasty and following Republic of China should be excluded, because it was mainly the part of history of relation between Great Britain and China, at least in China's perspective it is that.[\[1\]](#)

Resuming the sovereignty over foreign affairs by new countries provided possibility to expand and develop their relationship, but China and South Asia failed in establishing comprehensive and mutual-benefits relationship before 21<sup>st</sup> century, their economic ties were weak, their people to people exchanges were loose, China even involved a border conflict with the strongest country in that region, caused very severe geopolitics consequence. Of course China's friendly relations with the other regional members such as Pakistan helped to keep the regional stability, but this stability was with price of long-term confrontation within the regional members and between China and India.

Only after 21<sup>st</sup> century, the relationship of China and South Asia has been significantly changed, for the first time in the history, China participates the regional issues very positively and massively, China's policy via-s-via South Asia were redefined, the relationship between two sides were enlarged, deepened and reorganized, many magnificent and positive phenomena appeared among their relations, meanwhile some negative factors emerged and some traditional obstacles remain. Someone cheers up to the new perspective of China-South Asia relationship, and someone complains publicly or privately, but it is unquestionably that China has been a crucial external partner of South Asia and would play more and more important role in the stage of South Asia.

What is the difference of China and South Asian relations in the different times? In order to promote this relationship, what are the main difficulties no matter had ever existed for long time or just appeared even not clearly emerged that China should overcome? How the relationship between China and India, the most important regional member and another "Rising-up" power in Asia will evolve? What they wish to get from the other and what they could give? What is China's policy to this region, including its intension and the capability and tactics to reach this intension? And what is the prospect of the relations between China and this region? This paper by taking up the above questions aims to examine and highlight China and South Asian relations in the new Century.

#### -History Overview: China's Single-dimensional and Limited Strategy to South Asia

Before 21<sup>st</sup> century, China's South Asian policy could be regarded as a single-dimensional and limited strategy. "Single-dimensional" means there was a priority concern in China's South Asia policy, if not only concern—security. The intension of China's South Asian policy was to secure its western part of territory and avoid the crash with the regional power in South Asia during the Cold War. "Limited" signifies China never purchase any fundamental changes for any issue in this region, it was satisfied with maintaining the existing regional structure, China had ever take some dramatic action for several times, for example, the border conflict with India in 1962 and an ultimatum to India in 1965[\[2\]](#), but after those, Beijing always withdrew its influence back to its own side of Himalaya Mountain and disappeared from the stage of South Asia.

To realize its strategy, China established very close links with certain South Asian countries, but not all of them. In fact, for the last four decades of 20<sup>th</sup> century, China's South Asian policy was based on a single pillar—its "all-weather friendship and all-dimensional cooperation" with Pakistan, the No.2 power in that region. The strong relationship between China and Pakistan was formed after the Indo-China border conflict and the second Indo-Pakistan War in 1965. Basically, their relationship had an external target—India. The relationship between China and Pakistan was not politics-military alliance, and both of them never stated that they intent to contain India, but it was very obviously and could be observed by the cases of the Second Indo-Pakistan War and the Third Indo-Pakistan War in 1971. During these two wars, China never made any concealment of its sympathy and support to Pakistan, that attitude even influenced the relation between China and other South Asian countries beside India—China established the diplomatic relations with Bangladesh on October 5<sup>th</sup>, 1975, in the same day of establishment of diplomatic tie between Pakistan and Bangladesh.

Although the diplomatic ties with all South Asian countries except Bhutan were established since 1970s, it seemed that China never integrated its individual bilateral ties with smaller South Asian countries to realize a certain regional purpose, China did not encourage or plot the other South Asian countries to challenge India's advantage position in that region, showed the defensive character of its strategy. China did not intent to setup an anti-India alliance in South Asia, although it had reason to do it—even late to 1998, India still stated publicly that China was the biggest threat. When Mr. George Fernandes, the Indian Defense Minister at that time made such kind of statement to excuse India's nuclear test, China addressed a severe statement and temporarily froze the relation with India, but those were all adopted by China. China did not use the fear of India's neighbors to New Delhi's atom bomb to advocate anti-India propaganda or launch a crusade towards India, as some of smaller South Asian countries wished.

During the last years, China's policy towards South Asia was with the limited aims, China had no ambition to involve in South Asian regional issues unless it identified the issues concerning to China's security. Even though in such kind of cases, China still pursued limited achievements—China did not support Pakistan to recovery the whole Kashmir, did not challenge Indian dominance over some South Asian countries, such as Bhutan, even in the border conflict in 1962, when Chinese People's Liberation Army smashed their Indian rivals and expedited into Indian territory, Beijing withdrew its army very soon, which was not only because of the logistics obstacles but also its limited intension. China never wanted to be hegemony in that region, it even "respected" India's similar position in that region to avoid these two powers to overall and high-cost clash.

And China did not expand its relations with South Asian countries into all fields, even in the last two decades of 20<sup>th</sup> century, after China's "open and reform" strategy came under way, China put economics interests as main issue in its relations with many countries and regions, such as Southeast Asia, Europe and Africa, and China has used its getting stronger trade ties with some countries to reduce the fundamental politics disputes between them, such as USA and west Europe, but the relationship between China and South Asia was still quite traditional and focused on military and politics issues. The weak economic ties and loose people to people exchanges existed between China's relations with South Asian countries for many years, and China seemed not desire to change this situation at least before 21<sup>st</sup> century.

### **-New phenomena of China-South Asian relations in the new era**

The reason why China held a single-dimensional and limited strategy towards South Asia could be argued, being aware of its lack of strength, or underestimating the strategy value of South Asia, just like USA's South Asian strategy during the Cold War era [3]. Maybe both of them are. This question is no longer important, because since 21<sup>st</sup> century, China fundamentally changed its South Asian strategy and as an interactive result, at least four outstanding changes emerged among the relations between China and South Asia comparing with the past years. China has been conducting a multi-dimensional cooperation with all South Asian countries. Its purpose doesn't limit in the security issue any longer, China desires to upgrade its relationship with South Asia in all fields.

In the beginning of 21<sup>st</sup> century, China massively involved in South Asian issues and clearly showed its intension and capability. Although just like in other parts of world, whether China is a superpower or not yet has been a very hot topic for many years, and when the scholars and politicians in South Asia participated in this engaging debate, based on different interests and feelings, the opinions are quite different and even contradicted, but there is very clearly that China is not "will come" to the stage of South Asia, China is coming came nowadays.

### **1. New Perspective towards India.**

China no longer treated India as the main threat—if not only one in this region. During the period of Indo-China honey moon in 1950s, there was a well-known phrase both in India and China—"Hindi-Chine BhaiBhai", describing Indo-China relation. When the border conflict broke out, it was forgot and replaced by "Hindi-Chini Bye-bye". In the late of 1990s, a modified version of this phrase emerged—"Hindi-Chine Buy Buy", accompanying with increasing trade links between China and India. But now, the original version seems come back with more plentiful meaning. For China, India is no longer a south big and usually unfriendly power, but a global partner to build an "Asian Century". Since 2000, by the joint effort of two sides, distance between Beijing and New Delhi has been shorten quickly, the freezing status over Himalayas emerging after 1998 nuclear crises has been thawed.

China and India agreed to establish a "strategic and cooperative partnership for peace and prosperity" during the visit of Chinese Premier Wen Jiabao to India in 2005. And during Chinese President Hu Jintao's visit in 2006, the two governments issued a statement highlighting 10-points strategy to accelerate the bilateral relations. As the first Chinese President who paid a visit to India in a decade, Hu laid a milestone for the China-India relationship in the new century.

Currently, both two became very important trade partners of each other and their annual bilateral trade volume has already reached the 20 billion US\$ in 2006, making 32.9% increasing than previous year. China is the second biggest trade partner of India, following USA, and India is the biggest trade partner of China in South Asia. Ziad Haider, a research fellow of Stimson Center, USA, said, "Stronger economic ties will create stronger constituents for peace in both countries and raise the threshold for conflict. In what scenarios would India deem siding with the USA against China worth jeopardizing its commercial links with China? "[4] 20 billion US\$ is not a tiny chip could be easily thrown away, with the guaranty of the getting closer economic ties, although the many disputes in other fields remains unsolved, it is hardly impossible that China-India relationship could go backwards to the hostile period of 1970s.

### **2. Parallel Dual Pillars.**

The relationship between China and India enjoyed continuous progress in for a decade, meanwhile, China's relations with the other South Asian countries also made marvelous achievements, especially the relation between China and Pakistan still remains unique and unbreakable. Comparing with single pillar policy in the past years, now China's South Asian

relations upgraded to parallel and multiple pillars—China not only warmed up its relation with India, but also keeps its hot ties with Pakistan, and has been gaining hospitality from the other countries.

It is understandable that Pakistan does not wish its old friend China's step towards India faster than Pak's due to the history and geopolitics reasons. China succeeded to reduce Pakistan's worry about the Strategic Partnership between China and India by enhancing and expanding China's traditional brotherhood relationship with Pakistan parallel with China's cooperation with India.

With the efforts of two sides, China and Pakistan "all-weather friendship and all-dimensional cooperation" is getting living up to its reputation. Their economic cooperation boosts. Pakistan is the first country which recognized China's full market economy status (December 15<sup>th</sup>, 2004) and the only one till now that signed the FTA with China (November 24<sup>th</sup>, 2006) in South Asia. On April 17<sup>th</sup>, 2007, during the visit of Pakistani Prime Minister Shaukat Aziz to China, the two sides inked 27 agreements and Memorandums of Understanding aimed at further expanding ties between the two countries. The annual trade volume between these two has reached 5 billion in 2006 making 23.1% increasing than previous year.

Besides the fast growing economic cooperation between these two old friends, their traditional politics and security links are also getting closer. During the visit of Chinese Premier to Islamabad in 2005, the two governments signed "*Treaty of Friendship, Cooperation and Good-neighborly Relations between the People's Republic of China and the Islamic Republic of Pakistan*" as an important legal foundation for the strategic partnership between China and Pakistan.

From March 6 to 13<sup>th</sup>, 2007, the Chinese navy task group participated in the naval exercises held in the Arabian Sea off Pakistan, which is the first time for Chinese navy force to participate the multinational naval exercises. And before this, the "Friendship-2006" China-Pakistan joint anti-terrorism exercise was initiated on December 11<sup>th</sup> concluded on December 19<sup>th</sup> in the hilly area of northern Pakistan's Abbottabad. The exercises renewed and enriched the long-term defense cooperation between China and Pakistan.

It is the first time in the history that one country could develop its comprehensive cooperation relations with both India and Pakistan. Meanwhile, China also makes a rapid progress in its relations with the other countries of that region. Unlike Chinese relationship with India and Pakistan, Chinese relationship with the other countries focuses on economic communication, as the result of increasing Chinese economic influence in this region. And it provides a firm foundation for furthering their cooperation in the future.

### **3. Re-identify Chinese Role in South Asian Integration.**

Traditionally, China preferred bilateral diplomacy to multilateral diplomacy. But in the 21<sup>st</sup> century, multilateral diplomacy is getting more and more important in Chinese foreign affairs. After the great achievement gained by Chinese multilateral diplomacy in Southeast Asia—China has been already an irreplaceable external partner for the integration of that region in 2007, China began its attempt to participate the integration progress of South Asia.

In April, 2007, Chinese Foreign Affairs Minister Li Zhaoxing led a delegation to participate the 14<sup>th</sup> Summit of SAARC (South Asia Association for Regional Cooperation), that's the first time China was invited to this summit and it happened only a year after China had been adopted as an observer of the regional organization. During the summit, China initiated 5-points suggestions on developing China-South Asian cooperation. Minister Li addressed

that, "China respects the position of SAARC countries and the principles of equality, mutual trust and win-win cooperation, and is ready to carry out exchanges and expand practical cooperation with SAARC to contribute to the cooperation process of SAARC and peace and development in South Asia."

China suggested establishing a cooperation mechanism for poverty alleviation and carrying out a comparative study on models of poverty alleviation and exploring with SAARC the possibility of establishing a China-SAARC regular meeting mechanism for cooperation on disaster relief and mitigation.

Chinese active and constructive attitude towards SAARC expressed the great attention of this fastest growing economic entity paid to South Asia. China manifested its willing and capability to participate the South Asia integration process. The 14<sup>th</sup> SAARC summit witnessed Chinese multilateral diplomacy emerging at the stage of South Asia. China no longer treated the South Asia as seven individual countries, but a whole regional entity with desire for integration, and China is cherishing this opportunity to make contribution to this process. It prepared ground for the future positive interactive between China and South Asia within frameworks of SAARC.

#### **4. Multi-dimensional Cooperation in All Fields.**

Chinese objectives in South Asia have been already beyond the traditional security issue. Its linkage with South Asian countries expanded to all fields including economic communication, culture exchange, energy and untraditional security cooperation. Besides the fruitful economics links, the China-South Asia cooperation in other fields are more successful than that in past years.

China realized that people to people communication and culture exchange aren't marginal parts of international relations. In 2003, a tourism MOU was signed by China and Pakistan, in the aim of absorbing more Chinese tourists, Pakistan approved Chinese citizens could apply landing visas. China also set up a Confucius Institute in Pakistan. On February 14<sup>th</sup>, 2007, China and India kicked off the "Year of Friendship through Tourism" in New Delhi. Minister Li Zhaoxing and his Indian counterpart Pranab Mukherjee attended the ceremony. China hopes to deepen common understanding of the peoples of China and South Asia with the help of cultural and tourism cooperation to sustain the traditional friendship and enhance interactions between China and South Asia.

China is an energy-thirsty economic power, as well as India. These two have common requests in energy resources field. There have been several successful cases that China and India cooperated in the international energy market, and China also supports the regional energy cooperation in South Asia. China provides financial and construction assistance to Pakistani Gwadar project, even Chinese company failed in competing for the management contract, China still invested to the second term project. Gwadar project is not only a symbol of China-Pakistan friendship, but also a key step of Chinese regional energy policy. China intends to realize its energy transportation diversity strategy to ensure its energy security via the additional and backup South Asian energy channel.

China also launched cooperation in untraditional security field with South Asia, especially with Pakistan. Pakistan assists China to strike East Turkistan terrorism forces, Pakistan security forces killed or arrested some core East Turkistan terrorists including Hasan Mahsum, the former leader of ETIM (East Turkistan Islamic Movement, the hardcore radical religious and ethnic separatism terrorism group with the links to Al-Qaeda). China also established counter terrorism cooperation mechanism with India.

Multi-dimensional cooperation in vast fields contributes China to consolidate its relations with its South Asia partners. With the help of these getting closer ties with South Asia, China is more and more confident when cooperating with latter and emerges as a "peace and stability factor[5]" in the frameworks of South Asian regional system.

So far, China-South Asian relationship could be regarded as successfully and smoothly, but there are still many obstacles, including some new emerging challenges and some unsolved traditional difficulties.

### **-Challenges to China-South Asian relations.**

Measuring in terms of its achievements made by its efforts to increase relations with South Asian countries and the whole region, China could feel stratified even proud, but there are still many problems blocking the healthy development of the relations or will block in the future possibly, Resolving some of these problems maybe is beyond China's capability so far, even for some China should be responsible.

#### **1. Traditional Geopolitics Dispute**

Judging from the integration achievements gained, SAARC is left far away behind European Union, NAFTA and ASEAN, the process of integration of South Asia is quite slow and insufficient, sometimes even moves forward two steps but backward one step. Economic factor is not decisively, because India has risen up, it is not lack of enough economic strength to lead the regional integration, and India also desires to be the engine. New Delhi initialed many protocols and promised to provide financial aids and assistance to the poverty partners in the last several SAARC Summits. But it seemed that the generosity of India was not very popular among its neighbors. Some regional members even rejected such advice.

It is not economic factor but the long-term rivalry between India and Pakistan hijacked not only the development and expansion of SAARC, but also the integration process of that region and the other issues including the relations between external players with South Asian countries. The core issue of these two countries traditional geopolitics dispute is Kashmir, and since 1998, the nuclear issue has intruded. Even though both sides repeated their good-willing for many times and launched many diplomatic and propaganda steps to mitigate the situation and promote the bilateral relation, the tension remains and no one could expect it could be relaxed in near future. For any external partners, India and Pakistan dispute is the priority concern when making policy or taking actions towards this region.

For China, Pakistan is not only a faithful old friend but also a very important partner. Even China no longer regards India as an unfriendly neighbor, the strategic value of Islamabad still is irreplaceable to Beijing, Pakistan plays crucial role in China's counter-terrorism struggle and a bridge to Middle-East and Islamic world, as well as a potential energy corridor to realize Chinese energy diversity strategy. Meanwhile, India is one of Chinese main colleagues to build New International Politics Order and the biggest trade partner in this region. So if India and Pakistan still oppose each other, it's inevitable that China would face a dilemma. China should help these two to setup a mechanism of mutual trust. It obviously benefits Chinese interests for the long term, but problems are, whether China is capable to do this and the regional powers welcome Chinese effort, furthermore, how?

#### **2. External Factors Impact**

In strategic terms, South Asia was never an important region for the United States of America during the last many years. Now things changed. South Asia is still not considered a region of primary importance by USA, but its strategic value rise up significantly. For USA,

South Asia is the battle front to crash the terrorism spread from Middle-Asia and Middle East, also an arena to competing with and containing China.

Since 1990s, USA has been taking the opportunity of collapse of Soviet Union and weakness of Russia to extrude Moscow's influence from South Asia as same as what it did in the other regions. American South Asia policy transited from Balance Strategy to Beyond Balance Strategy. Alliance between USA and Pakistan, which is against partnership between Russia and India, was renounced by Washington step by step, and India became the keystone of USA's South Asia policy.

After a five-days visit paid by the former President Bill Clinton in 2000, India became a very hot topic in Washington. George W. Bush administration abolished many policy and tactics of Clinton, but "hugging elephant" policy was kept and strengthened<sup>[6]</sup>. India is regarded as a "natural partner" of USA, a member of "Democracy Community". As the most significant evidence of USA's Beyond Balance Strategy, Washington indirectly recognized India's nuclear state status through the agreement on civil nuclear cooperation signed during the visit of President Bush to India in 2006, but refused Islamabad's similar request. India and USA never addressed any statement or officially admitted their cooperation is confronting China, but in fact, it's very obviously that "the strongest democracy country" is seeking to ally with "the most populated democracy country" in order to balance "the fastest growing economic entity in the world".

Of course, the cooperation between Washington and New Delhi also covers many other fields, including terrorism, energy security, non-proliferation, etc. But unquestionably, managing China is a very important part. Just as explained by India's foreign secretary in 2005. "There is the emergence of China as a global economic powerhouse. There will be increased capabilities that China will be able to bring to bear in this region and even beyond. India also is going to be a major player in Asia. I think India and the United States can contribute to a much better balance in the Asian region." <sup>[7]</sup>

American current South Asian policy could be concluded to 'Loosy Paki Tightly Hindi', but it does not mean USA would like to kick out Islamabad. USA still needs Islamabad's cooperation on counter terrorism and prevents Pakistan to slip into a 'failure state', USA also has the intent to extrude China's influence from Pakistan. With the aims of counter terrorism and containing China, USA tried to shake hands with Islamabad coldly and embrace New Delhi warmly simultaneously. USA wants to persuade Islamabad to accept that Pakistan's interests should give way to USA's regional strategic arrangement or lower than Indian requests, it did not impress Pakistan much. As result of Pakistan's lack of confidence to USA, USA's efforts have been not break the tight political and military linkage between China and Pakistan. The realization of USA's second intent needs to wait for longer time and more effort. But in the other fields, USA's infiltration has some immediate and long-term effect.

Since 2001, the total amount of USA's aids to Pakistan has reached 10 billion US\$ and USA also released the investment sanction to Islamabad, USA's financial support helped Pakistan's economy to be revived. The increasing of Pakistan economy has been keeping 7% for three years. USA is the second biggest source of trade surplus, EU is the first. From July, 2006 to March, 2007, Pakistan acquired 2.88 billion US\$ from the trade with USA, almost 8 times of its export to China.<sup>[8]</sup> In the international politics system, Pakistan stands China to reply USA's sole-polarity intent, but in international trade market, situation is totally different.

South Asian quake happened last year brought USA another opportunity to enlarge its influence in Pakistan, USA donated billions of US\$ for Pakistan's reinstallation and sent arm

forces to participate salvation. During his visit to China on this February, Gen. Musharraf expressed his appreciation of China's assistance for quake several times, but at an international relief conference held Islamabad, USA is the first of countries Pakistan government showed its gratefulness. Actually during quake crisis, China just sent a medical team and donated millions US\$, far away behind USA, even behind Turkey and Saudi Arab, another two close friends of Pakistan. Chinese aids came quickly, but slightly.

Something should be figured out, in Pakistan, the fields which USA got successes almost, are the fields China faced difficulties. Maybe it could not impute China's difficulties to USA's infiltration, but obviously, USA is taking advantages and enjoying them in some fields that China did not pay enough attention to. Of course it could be argued that the presence of USA does not impact to the goals of China in South Asia, but it just an optimistic and unconvinced theory.

### **3. Untraditional Threat to Chinese Overseas Interests: Terrorism and Local Violence**

In the past years, it is very rare that Chinese enterprises or citizens' security and interests came to be diplomatic issues with the other countries concerned by China, not because of unconcerned attitude, but there were not much such kind of things needed to be concerned. Since 21<sup>st</sup> century, the overseas interests have been expanded with the increasing of Chinese economic influence, and protecting them became an inevitably task of Chinese diplomats, and some cases with Chinese casualties or property lost even caused improper and irrational reaction of some Chinese mass media and radical nationalists.

Unexpectedly, these threats also appeared in South Asia, especially in Pakistan. In Pakistan, a country has 150 million people, there are almost not any common consciousness adopted by central cabinet and local government, political parties' elite and tribal leaders, even among common people. Only one exception is friendly policy towards China. But in that country, Chinese overseas interests were threat seriously by terrorism and local violence occasionally. Due to dissatisfaction with central government's policy, some local militant groups in Balochistan, such as BLA (Baloch Liberation Army) regard Chinese interests in Pakistan as chips to threaten Pakistani central government to accept their requests. In ideology, they did not oppose Chinese government and Chinese investment to local mineral resource, but they oppose Islamabad's distribution of profits so they tried to stop or slow down Islamabad's Baluchistan development project till their request were accepted via the method of attacking Pakistani best friend.

In 2006, just few days before President Gen. Musharraf paid visit to Beijing, in Hub three Chinese engineers were assassinated by some gunmen of a group named as "Baloch Liberation Army". Both China and Pakistan stated that "this tragedy could not cause any negative effect to bilateral relation", but during his visit, the state head of Pakistan repeated his condolence for many times, in a speech made in Sichuan, the president appealed audience for "another sight on Pakistan". The president's complaisance expressed Pakistan's misgiving at future Sino-Pak bilateral relation.

The Hub tragedy is not individual case in recent years, Chinese engineers or workers have been targeted by militants in restive province of Balochistan and NWFP for several times since 2004. After the Hub tragedy, ten Chinese technicians who were working along the engineers killed in Hub had gone back to China. Although they were only to go back, the serial attacks seemed not impact the bilateral relation, some Chinese company have already slowed down their steps into Pakistan, and more seriously, some Chinese media's real but not proper reports caused large-scale Chinese public discontentment to their traditional friend.



BLA is not sole threat of Chinese interests, some terrorists, separatists and religious extremists concealing in Pakistani border area also threat Chinese interests. China is deep concerned about Islamic militants infiltrating to its western borders, some Central Asian and Afghanistan militants have hidden in Pakistan to escape crackdown in their own countries. They had very close linkage with ETIM and other East Turkistan terrorism groups which were regarded as the most serious threat of stability and peace of Chinese Xinjiang Autonomous Region. After several years military strike launched by Pakistani security force, there still some elements concealing in some mountain areas controlled by local tribe which are sporadic in obedience to Islamabad. Counter- terrorism cooperation provided a new field for China to close its ties with South Asia country, but the bloody price also tested the solidity of their relationship.

#### **4. Backfire of the Increasing Commercial Links**

China emphasized repeatedly that its trade policy was not and won't be to pursue enormous profits, but the truth is that the trade imbalance favorable to China has been a world wide phenomenon. So called theory of "Chinese Threats" originated in somewhere between Tokyo and Washington echoed in some distant countries, it was not because their territories were threatened by Chinese strengthening military power, but for their local markets were occupied by Chinese products too fast and too vast. China's official policy to political issues is always self-controlled and encourages the stability of region, showing its peaceful and moderate intension, but in trade arena, Chinese enterprises usually conduct ambitiously and offensively. Although the reason of Chinese enormous trade profits is complicated and whether it is only China which benefits in the trade, even in the imbalance trade favorable to China is debatable, but for those countries unfavorable, it's not easy to persuade them to recognize the truth maybe not as what they look like. The caution and reaction of Chinese trade partners, sometimes following trade disputes, challenged a belief assumed by China that the increasing commerce links would guarantee the political relations—it is correct, but only it happens when the commerce links could bring win-win result. In South Asia, just like in elsewhere of the world, China met the similar situations.

The increasing trade disputes, such as complains from the local manufactures and anti-dumping investigations came after Chinese increasing commerce links with South Asia in recent years. During the past several years, India kept favorite position in bilateral trade with China, but New Delhi launched dozens of anti-dumping investigations towards Chinese products. In 2006, it is the first time that China enjoyed favorable balance in the trade with India, according to Chinese statistical information, in last year, the volume of bilateral trade is 24.8 billion US\$, and China exported 14.5 billion US\$, 4.3 billion US\$ more than Indian exported. This record is with the consequence of rapidly increasing anti-dumping investigation launched by India. From January to June this year, India launched investigation or adjudicated to collect punishable duties to eight items Chinese products including Sulphur Black, Diclofenac Sodium, CDR, Vitamin B12 and its derivatives, Paracetamol, Ceftriaxone Sodium Sterile, 2MNI and the other pharmaceuticals products and medicinal materials. Some of investigation is urgent and some of them were shifted to earlier date.

Disputes brought by the Chinese increasing communication with South Asia neither only in India, In Pakistan and the other Asian countries, imbalance trade and disputes caused also could not be ignored.

Sino-Pak trade links is also rare unbalanced. Since 1995, China has enjoyed favorable balance, and the advantage has kept continuously growing up. In 2006, China's favorable balance was 3.2 billion US\$, a new record, marking an increase of 24% as compared with the previous year. The outstanding rise of Sino-Pak trade volume since 2000 is just a result of fast rise of China favorable balance. The large and keeping worsened trade unbalance has

already caused complain of Pakistan government and enterprises, in some fields, also led to revenge operations. For example, in 2005, Pakistani Custom Committee launched anti-dumping investigation on Chinese formyl colophony. During the negotiation on FTA agreement between China and Pakistan, several influential chambers of commercial in Pakistan requested the government not to push forward the negotiation impatiently, worrying about the negative prospect caused by the FTA, some local media even criticized the agreement was "political deal" and would possible damage Pakistani weak and underdeveloped economy.[\[9\]](#)

China enjoyed huge favorable imbalance in all the bilateral trade relations between China and the rest South Asian countries—Sri Lanka, Bangladesh, Nepal, and Maldives. Bhutan is only exception because there is no direct trade links with China. Although currently the trade conflict still remains relative slight and could be controlled, it has already brought a certain negative effect to the relations between China and South Asia. Considering China would preserve the competitive edge in economic arena with South Asia smaller countries even in certain fields with India, it is not expectable that the trade disputes would be resolved in short time. China should find a way to minimize the negative factors of the increasing economic links and manage to avoid the harm to the political relationship.

### **-China-India in a new context of "Chindia".**

"21<sup>st</sup> Century belongs to Asia", in late of 1990s, such prophesy may be regarded as an over optimistic view about Asia 'rise-up', but now people would say it is a little bit pessimistic, because what we heard from the mass media in languages nowadays is that "21<sup>st</sup> Century is Asian Century". In recent 15 years since collapse of Soviet Union, the most influential international event is Asia's "Rise-up"; the most outstanding parts are China and India.

As two emerging Asian power with continuously increasing international interests and influence, how China and India handle their relationship will be critical for both countries, and the regional and global peace of prosperity in coming years. The relation with India is the core in the chain of relationship between China and South Asia, the former not only inhibited the latter, but also models the structure of the South Asia regional system.

Bill Emmott, the senior editor of *The Economist* pictured the prospect of China, India and "Chindia" in January 2006, "These days there is one thing most do seem to agree upon: that China and India are on the move, and that these Asian mega-countries will be the great powers of the future. That notion has even produced a new word, "Chindia", intended to convey the combined effect of the elephant and the dragon. And along with that view comes another: that China, the one-party dragon state, is likely to lead the way, growing faster and becoming more powerful than democratic, muddled, elephantine India. Moreover, China growth will lead it to dominate the world manufacturing business, while India will lead it to take over a lot of services, especially software programming and many 'business processing' tasks. " In his article "*The future power of Chindia*", Emmott asked the same question the other people asked every time when this magic word "Chindia" mentioned since it was created by Jairam Ramesh in 2005, "Will they work together, to lead Asia and perhaps the world?" [\[10\]](#)

Although it is obviously that China and India which their population occupies one third of the whole world now are getting stronger and richer than past years, it still could be argued that the so-called "rising-up" of Asia or these two countries is realized or not yet with global meaning, but it could not be used to relax the anxiety even fear of the Western world and decrease the delight or smugness of some Asian people, because they—both who are for or against the rising up of China and India are not talking about reality but potential prospect.

Assuming this prospect of China and India rising up will come true inevitably, how about the prospect of Chindia, does it also inevitably that China and India would hang together and work together to manage the world? What about another possibility—China and India become active rivals and try to contain each other? To answer these questions, not only whether China and India have or will have the capability to make the blueprint of Chindia come true is needed to be considered, but also, and maybe more crucial, whether China and India have the willing to do it. It is not possible for two countries to set up a very close relation even fuse their name together just based on their respects to the other's ancient civilization or marvelous economic miracle, they need more convinced reason, usually the shared interests in vast issues. The more they request from the other side and the more they could give, the more solid their relationship is.

Measuring in terms of their mutual requests at different level, maybe it should be recognized that Chindia is still a beautiful mirage right now; its realization is possible but should overcome some difficulties and need long time.

### **1. At Global Level**

At global level, for China, Indian rising-up is welcomed, China wishes to get support from India for global multilateralization. India has already been transferred from potential adversary to competing partner in Chinese international strategy. For India, the good relationship with China and close cooperation in some fields could help India to promote its international influence. Both sides oppose unilateralism and share common opinion on reorganizing international order in principle. But any common opinion without consequence of collation action is meaningless in the context of international relations, both sides emphasized the importance of their cooperation in reorganizing international politics order, but measuring in terms of actual steps, the truth is that they agree that something should be changed, but they disagree with the measures of changing.

For example, both sides recognized that "the importance of reforms at the UN, including the UN Security Council, in order to deal with the myriad challenges of today's world more effectively"[\[11\]](#). But what concrete measures should be adopt? There exists difference between the two powers. Upon to the request of India to be a permanent member of UN Security Council, China reiterated that it attach great importance to the status of India in international affairs, and understand and support India's aspirations to play a greater role in the United Nations for many times but never stated officially its support to New Delhi. China urged that a comprehensive reform of UN is needed, not only enlargement of UN Security Council impatiently. Comparing Chinese attitude to the similar request of another its neighboring power—Japan, Chinese policy on India's desire is more positive, but it apparently failed to make India satisfied.

As the two biggest developing countries, China and India share more common understanding and have more shared interests on international economic issues, than on international political ones. WTO and other economic organizations dominated by developed countries, such as World Bank and IMF, not always provide fair and equitable framework for developing countries. China and India could work together to preserve stability and growth in the global economy and reduce disparities between developed and developing countries. To cooperate on this issue initiated during the visit of Premier Wen Jiabao to India in 2005, but till now, there are no significant steps towards their aim.

In last September, the first-stage of IMF's internal reform was approved, China's voting quota was increased from 2.98 % to 3.72%, although Rodrigo de Rato, the Managing Director of IMF addressed his understanding that "this vote is not the end of our work on quotas, but the beginning of a process that will continue during the next year"[\[12\]](#), the vote and the promise of de Rato did not please India, India voted against this reform with the other 20 countries fruitlessly. India's negative attitude on this issue is understandable—as

the result of the reform, India's "voting power" fell to 1.91% from 1.95%, while its quota will remain unchanged.

It evidenced that no matter how the two powers song high praise for their cooperation in the international stage, they will put their own interests as priority, for sometimes, Chindia dose not means China and India, but China vs India. Chindia even in the economic field remains as a mirage.

But there is an outstanding exception of energy cooperation. As the two energy-thirsty powers, China and India took a series of joint action in investment to oil and natural gas fields in Africa. In Sudan, China and India joint ventured Grand Nile River oil field project, China holds 40% of stock and India 25%. China and India also purchased the other energy facilities in Iran, Russia, Middle Asia and Latin America not collectively but at the same time. The energy cooperation could benefit both two much, and in this area, possibility of conflict between these two is smaller than on the other issues. But the competition shouldn't be ignored. The other energy cooperation partner for both China and India is Myanmar. But till now, the theme of interaction between Beijing and New Delhi in Myanmar is competition not cooperation.

## **2. At Regional Level**

On the occasion of the visit of Chinese Premier Wen to Pakistan, a very interesting report with title of "Sino-India ties marred by the 'P' word" was pressed on *Asia Times on Line* on April 9, 2005. The Indian reporter said that, "even as India and China shake hands and reach agreement on various issues, China's brotherhood relationship with Pakistan will cast a long shadow on the China and India interaction". And "after all, the Sino-Pakistan defense and security cooperation has serious implications for India's national security"[\[13\]](#). Of course, such kind of opinion will be denied by any Chinese diplomat or scholar, but the point is, China and Pakistan relationship is priority concern of India.

Indian government officially denounced their worry. "While we are not ignoring the contentious issues such as the border dispute and the question of Sino-Pakistan military collaboration, we are not allowing these issues to define our ties", addressed by Indian Ministry of External Affairs, but almost in every discussion or negotiation between Chinese and Indian diplomats, Indian side would emphasize this "P" word.

At least currently, any positive steps towards upgrade China and Pakistan relationship would be regarded as a negative factor to Indian regional interests by New Delhi, and there is no any evidence showing that, India feel satisfied with what Chinese explained, that the relation between China and Pakistan is not to contain or balance India, as *China-Pakistan Treaty of Friendship, Cooperation and Good-Neighborly Relations* signed on August 30<sup>th</sup>, 2005 stated that the treaty is not aimed at "the Third Party".[\[14\]](#)

India expects Beijing to "adopt a more even-handed policy in South Asia" meanwhile China states for many times that its policy towards South Asia is "balanced". What really bothers these two powers on this issue is not one's intention to the other, but the understanding—actually more accurate, the misunderstanding of the opposite.

Besides the "P" word, there exists another mutual request for each other at regional level. Both need cooperation from the other side to participate regional integration. For India, China could help its "east forward policy", India desiring for involvement the Southeast Asian integration. China also wishes to get support from New Delhi to participate in South Asian integration. Even though China was adopted as an observer of SAARC in 2005, during the summit of the next year, India still held a conservative position to China. Not only for the SAARC issues, has China expected Indian help in other fields to realize its regional

strategy, too. China initiated a plan to expand its southern provinces especially Yunnan's trade with the east part of South Asia and west part of Southeast Asia, mainly with Bangladesh and Myanmar. For this sub-regional integration, transit via India is a necessary.

Counter-terrorism was often emphasized by two sides as an important part of the cooperation at regional level. Both two are victims of "international terrorism" and two governments set up a mechanism of counter-terrorism information cooperation. In fact, the terrorism which threat India and China are different with different goals and different networks. In Chinese view, the meaning of terrorist is priority for East Turkistan element. While for India, terrorist is the gunman or suicide bomber infiltrated cross the Line of Control in Kashmir. Both two countries don't have the common enemy, so their counter-terrorism basically is a symbol without important fruit.

### **3. At Bilateral Level**

At bilateral level, the relationship between China and India is more complicated and influenced by some severe and lasting negative factors, such as border dispute and Tibetan issue. Both sides try to eliminate or narrow their long term historical, territory and political disputes by enhancing trade links and people to people exchange. The efforts of both sides made a significant achievement on the economic and cultural fields, but it's doubtful that whether the economic cooperation which is at the level of "low-politics" could bring the collective effect at the level of high politics. The gap on border dispute and Tibet issue between China and India is the core obstacle to block the bilateral relation. Both sides acknowledged the importance of bilateral relation to their own, the region and whole world, but the problem is, how much the two governments would pay the price of territory and sovereign to exchange the improvement of bilateral relation, with high risk of their legality of regime denied by domestic nationalism.

So far, certain progress was made on border issue, but mainly technically and principally, just showing goodwill of both for peace and stability. It's far away from final solution. The joint working team for the boundary issue, led by Chinese vice Foreign Minister and his Indian counterpart, has held 15 rounds of discussion, and 10 rounds conferences by both special representatives. The maximum achievement made is just "starting discuss the framework of boundary issue settlement". In fact, as for the boundary issue, what both sides need is not a political high-risky comprehensive settlement, but a roundabout route to bypass this un-overcome difficulty.

As the border dispute, Tibet issue is also a negative legacy of bilateral relation. India acknowledged that Tibet is an autonomous region of China<sup>[15]</sup>, and revised that "the Tibet Autonomous Region is part of the territory of the People's Republic of China" in 2003.<sup>[16]</sup> But during the last half of century, India provided shelter for Dalai lama who defined as separatist and so-called "Tibet government in exile". India is on the defensive about its contradiction by excuse of "history reason" and a strong pro-feeling towards Tibet among Indian people. While in most of Indian publications concerned to bilateral relationship between China and India, official documents and academic works, the phrases of Tibet and Dalai lama vanished. Definitely, Indian ignorance on this issue failed to make China satisfied. Although Tibet issue was mentioned less in the context of China and India, it didn't lose its sensitivity.

Meanwhile, some of bilateral disputes on economic issue also appeared and made the situation worse. During the 4<sup>th</sup> India-EU Trade Summit held in November, 2003, Mr. Yashwant Sinha, the contemporary Indian Minister for the External Affairs outlined the advantages of investing in India, "the country a democracy, but it also follows the rule of law and had never reneged on any commitment" and questioned the trade links between EU and China "If you make an investment here, then you are likely to get more money here

than if you go to a country to the east of us,"[17]It seemed that, whether China or India regards each other as a cooperative partner in global trade arena or not, they have already worried about the negative factors caused by their closer trade links. Their trade ties are getting closer, but there are no evidences to show the bilateral relations would cause cooperative action.

It should be recalled that two Indian opinions, one is pessimistic Jairam Ramesh , the other optimistic Jawaharlal Nehru. The former said that "both countries should come together and make use of this opportunity in time to strengthen their ties not only in terms of business but culturally and with people to people contact as well. This would be a great occasion for India to use the collaboration with China and make itself a more important player on the world stage." And the latter pointed out half century ago, "In a long-term view, India and China are the two biggest countries of Asia bordering on each other and both with certain expansive tendencies, because of their vitality. If their relations are bad, this will have a serious effect not only on both of them, but on Asia as a whole."

It is too risk to rival for China and India, the two powers with huge influence on each other. Even there are many obstacles, mistrust and concerns, China and India should work together to try to remove the blocks, enhance their mutual trust and expand their shared interests, not only for gaining win-win achievement, as well as for avoiding lose-lose danger.

#### **-Conclusion: What China should do next?**

China is trying to tightening its ties with all South Asian countries and strengthening cooperation in vast fields. The importance of bilateral economic communication to both China and its South Asian partners has been getting more and more outstanding, the increasing rate of the annual bilateral trade between China and almost all South Asian countries exceeds 20%, some even reaches 30% or above. China succeeds to keep and expand its security and defense cooperation with South Asia, not only with its traditional security cooperative partner, but also its competing viral during the last four decades. Meanwhile, China works together with its neighbors of that region to make significant achievements in the fields of cultural cooperation and people to people exchange. China also participate the integration process of that region positively and massively. It could be concluded that since 21<sup>st</sup> century, the outmoded single-dimensional and limited relations between China and South Asia has been replaced by the multiple-dimensional, parallel, comprehensive cooperative relations between them.

China's peaceful foreign policy of independence and self-determination seeks the basic goal which to "resolutely defend the country's independence, security, and sovereignty; to protect world peace, and to strive to create a long-lasting, peaceful international environment and good surrounding environment for China's own socialist modernization." [18] It also is applicable to China's foreign policy vis-à-vis South Asia. As the essential opinions of China's diplomatic theory are that the peace, stable and mutual-benefits cooperative relationship with any country is a positive factor to China's interests and is worthy to be sought, and China also denied this possibility that development of China would become a potential threat to some countries. No matter whether these opinions were accepted by elements of international system, China would like to try to gain the kindly response of those.

The diplomacy of "rising-up" China works hard to persuade other countries, especially big powers and Chinese neighbors including South Asian countries, to accept the view of "development of China benefits for and depends on the world". China hopes to copy its



experience of contact with East Asia, Southeast Asia, Europe and North America to South Asia for last two decades, that is to say, even conflict caused by communication is much better than isolation. It seems that Chinese logic is correct, evidenced by its achievement making with South Asian partners. These years' interaction between China and South Asian countries laid the foundations for furthering their relations. Therefore, in long time, China wouldn't change its efforts to cooperating with South Asia to eliminate disputes and realize win-win policy. The point is that what China would do to resolve existing historical and geopolitical burdens between China and South Asia, and deal with new emerging negative factors.

Possible resolutions are as follows:

### **1. Keeping China-Pakistan Relationship as Cornerstone**

From 1960s to 1990s, China and Pakistan had been keeping on enhancing their political and security cooperation to reply the traditional geography politics threat. 911 attacks and the following counter terrorism war brought new content to the cooperation of two countries. To fight against new emerging untraditional threats, such as terrorism, separatism and religion radicalism, became another important issue concerned by both two sides. China and Pakistan cooperation, especially in political and military fields was regarded as the foundation of these two countries' regional policies for many years. The close cooperation between China and Pakistan has played very important role for maintaining the two's security and geography interests.

But in the context of Chindia, traditional relationship between China and Pakistan was challenged, not only some Chinese scholar urged that Chinese support does not solve the problem Pakistan has faced and the geopolitical game is no longer functional, but also Pakistani has already realized comparing with Cold War era, Chinese foreign policy in 21<sup>st</sup> century is more based on economic interests. Some Pakistani worried that the new generation of Chinese—both common people and government elites—have no 'special pro Pakistan feeling' as the generation in Cold War era. Some of them argued that "Pakistan can continue to expect unstinted support from China, under the present circumstances, our (Pakistani) foreign office must bear in mind that China has its own legitimate long-term interests in the region". [\[19\]](#)

Obviously, since China-India relation has been upgrading to global level, the regional role of Pakistan to balance India relatively decreased, but when China loosed its ties with Pakistan as India wished, whether New Dehli would offer the same kindly response remains uncertain. In the triangle framework, China and Pakistan relationship is the priority concern of India, but it is not only concern. After all, India has experienced the expansion of Chinese influence at global, regional and bilateral level, no matter how China and Pakistan relation is and will be, India would consider China as a competing partner, and the influence of USA to Indian foreign policy and the temptation of becoming a member of so-called "Democracy Community" are also very hardly to be ignored by India. It is not very wisely for China to expect Indian hospital repay for China's estrangement with Pakistan.

Although, it could be urged that it was not necessary for China to loose its ties with some smaller countries in that region, especially Pakistan to tighten up its links with India, a "balance" policy could be adopted. But the point is, keeping balance between one's long-term and close partner and traditional competing rival which just few years ago, excused its nuclear test with Chinese threats, it in fact means approaching to India with price of estrangement with Pakistan. It wouldn't benefit China's long-term interests and its reputation as a reliable friend in that region.

On the contrary, in order to maintain the regional stability, assuming it benefits China's interests, China needs the help of Pakistan, the No.2 power in that region. As an external player, if China stand with India, the dominant power in South Asia to handle the regional issue, it definitely would improve Indian position and make the regional situation more imbalance. The majority of South Asian smaller and less developed countries refused Indian dominant ambition for many years, why they would welcome China's involvement as regional "co-ruler" along with India? No matter how crucial Indian position in China's regional strategy is, and how India would feel unpleasant, New Dehli is not and impossible to be sole cooperative partner of Beijing in that region, China's interests depend on the comprehensive and mutual-benefits relations with all or at least majority elements of that region.

Of course, continuing to keep Pakistan as the cornerstone of China's South Asian policy maybe leads to an unpleasant consequence that "Pakistan, which on its own would have been a far less potent threat to India, has with China's help become a threat"[\[20\]](#) It could be, but only when Pakistani leader wants to adopt a suicidal policy. Pakistan suffering from terrorism, poverty and turbulence domestic situation has been left far away behind in the competing with India and considering these two's development prospects, Islamabad would never catch up. To maintain its position and prevent not to be left too behind will drain out Pakistani energy, why and how could Pakistan takes offensive policy to threat Indian security? It should be clarified that intension to seek regional dominance power is not request of ensuring security but is driven by outmoded geopolitics ambition in the globalization era.

Due to the shared interests between China and India increased by both side's Rising-up at the global level, the bilateral relationship getting closer and more comprehensive is irreversible, it is also not wisely for China to block itself in the traditional geopolitics alternative. Just like the dilemma of China pointed out by John W. Garver, "Confrontation between Pakistan and India would put Beijing in the unfortunate position of having to choose between Islamabad and New Delhi. Failure to support Pakistan could endanger China's fundamental interest in keeping Pakistan strong and independent of Indian domination, and threaten China's strategic partnership with Pakistan. Alignment with Pakistan, on the other hand, would spoil China's ties with the major South Asian power, India and possibly push that power further into alignment with the United States. In this sense, peace between India and Pakistan is in China's interests"[\[21\]](#).

But the long-term dispute and mistrust between Islamabad and New Dehli are not possible to be erased in the near future even with the "help" of China—actually whether China is capable to provide the help and the other twos would welcome China's involvement are arguable. So in this circumstance, what China needs is to work together with India and Pakistan to find an alternative way to avoid the regional stability hijacked by the confrontation between India and Pakistan, and setup a win-win mechanism in the triangle relationships. The improvements in China-India relations and in China-Pakistan relations need not be a zero-sum game, China should not be a mediator for the Kashmir dispute between India and Pakistan, but should be positive partner of these two at same time, seeking a framework to enhance their bilateral trust and shared interests, meanwhile, China also should be a responsible friend of Pakistan, continuing its "support for the efforts made by Pakistan at promoting peace and stability in South Asia and safeguarding its sovereignty and independence"[\[22\]](#).

## **2. Transportation mutual trust via Energy Corridor**

Luckily, Pakistani energy corridor strategy provided a possible framework for these three countries to close up their linkage and guarantee their shared interests.



Since 2000s, Islamabad tried to make great efforts to persuade China and its other neighbors to “relocate” Pakistani strategy position. In late of 1990s, Pakistan redefined itself as an energy corridor connecting East Asia (China), South-Asia (India) with Middle East and Middle-Asia. The trans-Pakistan pipeline is core of this strategy. During the regime of General Musharraf, Pakistan launched a series of diplomatic operations to persuade the relevant countries to accept his idea. Pakistan has been taking concrete measures to realize General Musharraf’s blueprint. After ten years negotiation marathon, Pakistan, Iran and India succeeded to reach a agreement to build a natural gas pipeline from Iran to India via Pakistan recently, and another phrasal achievement—Gwadar Port project, its completion ceremony was held in the February.

China has been providing the crucial assistance to Pakistan’s energy transportation construction, and should enlarge and deepen its participation. Because the transportation channel via Pakistan would not only transport natural gas or oil, but also contribute to the mutual trust and interests among China, India and Pakistan.

For both China and India, Pakistani energy corridor strategy will have far-reaching influence. This pipeline will bring China and India an opportunity to tight up their linkage with Middle-East countries. *Chindia* could play more effective efforts to Middle-East issues. Middle East energy suppliers now are also trying launching their own energy diversity strategy to avoid the danger of over-depending on their western customers. To build up a pipeline by jointed venture, China and India, as long-term and stable big customers in Middle East energy market, would get important influence to the regional countries. As an example, the first Gulf countries suggested to build a pipeline via Pakistan to China is not Iran, the ‘riot state’ in the sight of USA, but Saudi Arab, the key ally of USA in the region. Gulf countries, no matter their attitude toward USA, all wish could realize diversity strategy, which offers the rising-up Asian powers a significant opportunity to involve that region’s affairs.

And, the pipeline also has the potential value for promoting regional peace, security and economic development. Tensions on the Subcontinent have held the pipeline hostage for over a decade, but these tensions are now thawing. The leaders of Pakistan and India have made economic development their top priority. India cannot dream of achieving significant growth without new sources of energy. But India deeply concerns the possibility that in case the regional situation getting tension, Pakistan would like to turn off the tap. New Delhi also worried about the pipeline connecting India with Iran would be a negative factor to new emerging India-USA ‘partnership’, Washington strongly oppose any projects Iran involved. Saudi Arab-Pakistan-India pipeline is not welcomed by New Delhi because of its heavy costs and tiny benefits to India. If China could join the project to share a certain route of the pipeline, Chinese back to the project bid could bring more confidence to India. Then the triangle relations among China, Pakistan and India will be expected less competing while more cooperation.

### **3. Competing with India in Cooperation**

Current international situation presents India and China with a lot of challenges and also opportunities. Meanwhile there also exist cooperative foundation and confrontation predisposition in the context of China and India relationship. If the challenges are met and the opportunities fully utilized, and the cooperative foundation was consolidated and the confrontation predisposition was inhibited, the two countries together can soon become a very significant and stabilizing influence in world affairs.

But when people rejoiced by this magnificent prospect, the complexity of the relationship between China and India should not be ignored. Indeed, *Chindia* could bring outstanding benefits to both two, especially at global level. However, before China and India stand

shoulder by shoulder to handle this complicated and turbulent world, they have to handle some regional and bilateral issues first. And for China or India, in current circumstance, the matter is how to adapt themselves to the contemporary international system, not change or rebuild it—at least right now and in the near future, they are still lack of enough strength and intents.

Firstly, China should acknowledge that India is a Sub continental giant and becoming a global power. India's rising up is irreversible. China should not support Indian effort to seek the regional dominance. However China also could not deny Indian special interest and function in that region applicable to its strength. Only based this precondition, China's policy towards that region would be accepted by India. China should realize that China's objective which to develop its open-ended, growing political, economic, and military cooperation between China and all the South Asian countries, only is possible when India regarding China as an responsible and good-willing power and accepting an open-ended expansion of Chinese influence in that region. After all, the point is maybe not what China dose to India, but what Indian understanding on China's behavior.

Secondly, in the context of China and India, a comprehensive resolution is needed, such as the initial of *Chindia*. But the comprehensive arrangement inevitably confronts the tests of every detail issues among the frameworks. An empty strategic relationship without detail arrangements on different issues is meaningless. Since there are many issues at different levels between China and India, China should identify that what could be postponed, what could be ignored, in which fields China could compromise, and in which China had to insist its stand. China should identify its ties with India as a competing and cooperative relationship.

China could cooperate with India in vast fields, helping Indian "East Forwards" policy and its more involvement to Southeast Asia and East Asia, supporting India to enlarge its influence on global issues, co-working to handle the untraditional challenges such as drug smuggling and terrorism, and launching cooperation with India in environmental protection and clean energy. China also should pay attention to Indian complains for trade disputes, such as the dumping of Chinese products to India and talk this issue with its counterpart very frankly to make compromise. China should ignore the diplomatic or propaganda response from India to so-called "Democracy Community", and remain silence to India-USA "natural partnership", after all to interfere with such issues are beyond China's capability. Meanwhile, it is unnecessary for China to expect final settlement of the border dispute in the near future. As common sense, when handle the border dispute, a very old phrase should be used as a guideline—"patient is a great part of value". One who is too anxious to resolve the dispute, he will take great compromise, unless he desire for the whole dispute area by its military forces. That is definitely not possible for China, rising power peacefully and with a dream of harmony world. China should continue its strong links with Pakistan, as earlier noted, and active participate to the process of South Asian regional integration, even it would not please India.

Thirdly, it also should be pointed that no matter how close India approach to China, or how much China hope to setup friendly relationship with India, Chindia is not a priceless dream worthy to be sought, and China should not expect the resurrection of the "Hindi-Chini BhaiBhai". And their relationship dose not request to conceal all difference between them, nor pretend they never exist, just like in the honey moon of 1950s. Even in the context of Chindia, China still will behave China, and India will also remain as India. It is very hard to imagine that either China or India would give up their stand on border dispute and other crucial issues just with the aim of the realization of Chindia, although India and China can agree on a "working" arrangement despite their different views on the issue of sovereignty over disputed areas along their border.

#### 4. Treating South Asian Region as a Region

The initials of Chinese Foreign Minister in SAARC summit this year is a beginning that China took part in South Asian integration, and also a symbol of Chinese multilateral diplomacy on South Asian. China has treated South Asia as a whole region, not just seven individual countries. It's a good beginning and a remarkable symbol, but there is long way for China to reach its regional goal of stability and mutual benefits.

Chinese participation into South Asian integration was challenged by several uncertain factors. As a main regional cooperative organization, SAARC is too weak to play as connecting tie and dialogue stage between China and South Asian countries. SAARC hasn't been an entity with unanimous voice and failed to play a crucial role in the interaction between China and South Asia. In the near future, the traditional bilateral diplomacy would remain as the pillars of Chinese South Asian policy

India, the core member of SAARC and engine of the regional integration, is suspicious of Chinese intention and function in this process, not willing to live comfortably under more significantly influence of China. And India is not the only one murmured against Chinese participation in the region. Some external elements also wish to "balance" China in South Asia, such as Japan, a very zealot advocator of "Democracy Community".

Although facing so many obstacles, China still should take its efforts to regional integration process. Because a more consolidated with high-level integration is applicable for Chinese interest. An economic, diplomatic, and military partnership between China and the whole region would maximize Chinese influence in South Asia, and ensure that threats to China did not emanate from that region.

Given the increasing global interest in South Asian affairs and China's steady movement towards becoming a global power, the importance of China and South Asian relations is highlighting steadily. For China, not only friendly collation in vast field with every individual countries is necessary, but also a comprehensive cooperative framework with this region.

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[1][1] Of course for some Tibetan issues such as intrusion Razak area, British Indian Government and local ethnic authority had significant influence and took important actions, but whether decisive is arguable.

[2] Xie Yixian ed. *A diplomatic History of China, 1949-1979*, pp.407, Henan People Press, 1988.

[3] Jamshed Ayaz Khan: *US South Asia Policy: A Pakistani Perspective*. *Asia-Search for Security and Cooperation*, Islamabad, 2006.

[4] *Us-India-China: Giants at play*, *Indian Express*, July 30<sup>th</sup>, 2005.

[5] Shahid Ilyas: Emerging China: A threat of a peace and stability factor? *Regional Studies* Vol. VVIV No.3 Islamabad.

[6] "Hugging elephant" is derived from "hugging panda" by author. Actually in USA, the person pro-China sometimes was criticized to intent to hug panda. But no anybody pro-India will be blamed as that.

[7] <http://www.usindiafriendship.net/viewpoints1/greatgame.htm>

[8] [http://www.sbp.org.pk/publications/export/SNo\\_3.pdf](http://www.sbp.org.pk/publications/export/SNo_3.pdf)

[9] <http://pk.mofcom.gov.cn/aarticle/jmxw/200609/20060903092786.html>.

[10] <http://www.billemmott.com/article.php?id=22>

- [11] Joint Communiqué on the results of the trilateral meeting of the Foreign Minister of India, Russia and China, addressed on February 14<sup>th</sup>, 2007. <http://www.fmprc.gov.cn/eng/wjb/zzjg/yzs/gjlb/2711/2712/t299991.htm>.
- [12] <http://www.imf.org/external/np/speeches/2006/092006.htm>.
- [13] <http://www.atimes.com/atimes/South-Asia/GD09DF04.html>.
- [14] <http://www.fmprc.gov.cn/chn/wjb/zzjg/yzs/gjlb/1211/1212/t209122.htm>
- [15] Sino-Indian Joint Press Communiqué, addressed on December 23<sup>th</sup>, 1988 , <http://www.fmprc.gov.cn/eng/wjb/zzjg/yzs/gjlb/2711/2712/t15913.htm>.
- [16] Declaration on Principles for Relations and Comprehensive Cooperation Between the People's Republic of China and the Republic of India, <http://www.fmprc.gov.cn/eng/wjb/zzjg/yzs/gjlb/2711/2712/t22852.htm>.
- [17] <http://www.blonnet.com/2003/11/29/stories/2003112900590400.htm>.
- [18] <http://www.nti.org/db/china/engdocs/liuqiu.htm>.
- [19] Strengthening ties with China. <http://www.dawn.com/2005/04/05/op.htm>
- [20] <http://www.atimes.com/atimes/South-Asia/GD09DF04.html>.
- [21] John W. Garver : *China's South Asian Interests and Policies*. July 22<sup>nd</sup> , 2005
- [22] Joint Statement Between the People's Republic of China and The Islamic Republic of Pakistan, addressed on November 26<sup>th</sup>, 2006 , in Islamabad.